MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016 / 2017 SESSION

DOT5018 – ORGANISATIONAL THEORY

(All sections / Groups)

06 MARCH 2017
2.30 PM – 4.30 PM
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **EIGHT (8)** pages with **THREE (3)** sections.
2. Answer **ALL** questions.
3. For sections A and B, shade your answers in the OMR sheet provided.
4. For section B, shade "**A**" for **TRUE** statement and shade "**B**" for **FALSE** statement.
5. For section C, write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1.5 marks).

1. Which of the following is a part of an organisation's environment?

   A. Machinery.
   B. Suppliers.
   C. Money and capital.
   D. Raw materials.

2. Which of the following terms refers to the study of how organisations function and how they affect and are affected by the environment in which they operate?

   A. Organisational behaviour.
   B. Organisational theory.
   C. Organisational culture.
   D. Organisational environment.

3. Stakeholders will generally participate in an organisation if _____.

   A. the goods and services produced by the organisation are of high quality
   B. they receive inducements that exceed the value of the contributions they are required to make
   C. the organisation has a well-defined structure and culture
   D. the organisation is large and takes advantage of economies of scale and economies of scope

4. The stakeholder group with ultimate authority over the use of a corporation's resources is _____.

   A. managers
   B. customers
   C. government
   D. shareholders

5. Nokia Electronics is a company that manufactures computers. It depends on Intel, Inc. for the supply of microprocessor chips. Intel, Inc. is the only company that manufactures the particular type and quality of microprocessor chips that are required by Nokia electronics. The relationship between Nokia Electronics and Intel, Inc. is an example of a _____ interdependency.

   A. competitive
   B. sequential
   C. symbiotic
   D. distributive

Continued...

6. Which of the following types of strategic alliances is the **MOST** formal?

   A. Long-term contract.
   B. Network.
   C. Minority ownership.
   D. Joint venture.

7. Which of the following refers to the way in which an organisation designs its hierarchy of authority and creates reporting relationships to link organisational roles and subunits?

   A. Vertical integration.
   B. Horizontal differentiation.
   C. Vertical differentiation.
   D. Horizontal integration.

8. An advantage of decentralisation is that it _____.

   A. ensures formalization of procedures and policies within an organisation
   B. promotes flexibility and responsiveness within an organisation
   C. keeps the organisation focused on achieving its goals
   D. simplifies the coordination process within an organisation

9. Honeymoon Hotel, every year, gives the Best Staff Award to those individuals who most consistently demonstrate initiative, focus, dedication, and persistence. This is an example of a rite of _____.

   A. enhancement
   B. passage
   C. integration
   D. responsibility

10. Golden parachutes are property rights generally given to the _____.

    A. managers
    B. suppliers
    C. shareholders
    D. customers

Continued...

11. Digi and Apple Inc, invest heavily to improve their skills in R&D and product design. This is an example of a _____ strategy.

A. functional-level
B. business-level
C. supply-level
D. corporate-level

12. Typically, the manufacturing function in an organisation uses _____.

A. a high level of standardization
B. an organic structure
C. a flat organisational structure
D. decentralized decision-making

13. KFC specialises in the chicken segment of the fast-food market. This is an example of a _____ strategy.

A. market penetration
B. focus
C. vertical integration
D. conglomerate diversification

14. Which of the following technologies is most likely to be used for producing huge volumes of standardized products, such as cars, razor blades, aluminum cans, and soft drinks?

A. Sequential-process technology.
B. Large-batch technology.
C. Continuous-process technology.
D. Small-batch technology.

15. Which of the following technologies has low task variability and low task analyzability?

A. Routine manufacturing.
B. Craftswork.
C. Engineering production.
D. Nonroutine research.

Continued...

16. Which of the following technologies as identified by Thompson, is based on a work process where input, conversion, and output activities must be performed in series?

A. Mediating technology.
B. Small-batch technology.
C. Long-linked technology.
D. Intensive technology.

17. Which of the following characteristics of organisational structure is **MOST** likely to increase the responsiveness of the organisation to environmental changes?

A. Standardization of behavior through rules and procedures.
B. Tall hierarchy of authority.
C. Extensive use of mutual adjustment.
D. Centralized decision-making.

18. _____ is the process of developing new goods and services.

A. Reengineering
B. Innovation
C. Restructuring
D. Functional reorganisation

19. Which of the following is an OD technique in which a facilitator first observes the interactions of group members and then helps them become aware of ways to improve their work interactions?

A. Action research.
B. Team-building.
C. Process consultation.
D. Reengineering.

20. Organisations are born when people called _____ recognise and take advantage of opportunities to use their skills and competences to create value.

A. boundary spanners
B. entrepreneurs
C. whistle-blowers
D. free riders

Continued...

21. Which of the following terms refers to a particular set of resources or skills?

A. Population density.
B. Environmental niche.
C. Clustered skill set.
D. Resource conglomeration.

22. Managers and employees frequently move from one organisation to another and bring with them the norms and values of their former employers. This leads to _____ isomorphism.

A. reciprocal
B. coercive
C. normative
D. mimetic

23. According to Weitzel and Jonsson's model of organisational decline, the five stages of decline are _____.

A. blinded, faulty action, crisis, deregulation, and death
B. interruption, direction, crisis, faulty action, and dissolution
C. disruption, inaction, coordination, dissolution, and death
D. blinded, inaction, faulty action, crisis, and dissolution

24. Which of the following statements is **TRUE** regarding programmed decision-making?

A. Programmed decision-making requires much more search for information to find solutions than does nonprogrammed decision-making.
B. Programmed decision-making forces managers to rely on judgment, intuition, and creativity to solve organisational problems.
C. Programmed decision-making is unstructured in nature and it is used by an organisation to find solutions to changing and uncertain conditions.
D. Programmed decision-making allows an organisation to increase its efficiency and reduce the costs of making goods and services.

25. _____ technological change refers to the improvements that are continuously made to particular technologies over time.

A. Quantum
B. Normative
C. Incremental
D. Mimetic

Continued...

26. Mobile computing devices, such as smartphones and tablet computers, are currently in the _____ stage of the product life cycle.

A. embryonic
B. growth
C. mature
D. decline

27. A stage-gate development funnel typically has _____ gates.

A. one
B. two
C. three
D. four

28. Which of the following is an example of a line function in an organisation that produces toys for children?

A. R&D.
B. Manufacturing.
C. Accounting.
D. Purchasing.

29. In Pondy's model of organisational conflict, which of the following stages comes immediately after "latent conflict"?

A. Felt conflict.
B. Perceived conflict.
C. Manifest conflict.
D. Conflict aftermath.

30. Which of the following is **MOST** likely to occur in an organisation with centralized authority?

A. Employees take up more responsibilities.
B. Subordinates compete to ingratiate themselves with top managers for receiving favour.
C. Several coalitions are formed within the organisation.
D. Employees are empowered to make decisions.

[TOTAL 45 MARKS]

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SECTION B: TRUE/FALSE QUESTIONS (each question carries 1 mark).
Answers for this section should be shaded on the OMR form.
Shade "A" for the TRUE statement and "B" for the FALSE statement.

31. Typically, organisations performing nonroutine tasks have organic structures.

32. Even thriving and high-performing organisations need to continuously change the way they operate over time.

33. Organisations that follow a K-strategy are founded early in a new environment they are early entrants.

34. The rational model of decision-making ignores the ambiguity, uncertainty, and chaos that is typically involved in decision-making.

35. Organisational conflict is the clash that occurs when the goal-directed behaviour of one group blocks or thwarts the goals of another.

[TOTAL 5 MARKS]

SECTION C: STRUCTURED QUESTIONS

QUESTION 1

(a) State any **FOUR (4)** characteristics of organisational structure that pursues differentiation strategy. (4 marks)

(b) State and discuss **THREE (3)** corporate level strategies in creating value from its core competences. (6 marks)

QUESTION 2

(a) Define Organisational Change. (2 marks)

(b) List and explain **FOUR (4)** forces of organisation change. (8 marks)

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QUESTION 3

Organisational life cycle is a sequence of stages of growth and development through which organisations may pass. List and briefly explain **FOUR (4)** principal stages of the organisational life cycle. (8 marks)

QUESTION 4

Provide any **FOUR (4)** reasons why an organisation needs to change. (4 marks)

QUESTION 5

(a) Define Creative Destruction. (1 mark)

(b) Identify any **TWO (2)** reasons of creative destruction. Provide an example for each reason. (4 marks)

QUESTION 6

(a) List any **THREE (3)** sources of conflict in an organisation. (3 marks)

(b) State any **TWO (2)** advantages and **TWO (2)** disadvantages of conflict. (4 marks)

(c) List and describe any **THREE (3)** suggestions on handling conflict in an organisation. (6 marks)

[TOTAL 50 MARKS]

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